

May 13, 1982

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DIVISION OF  
OIL, GAS & MINING

CERTIFIED MAIL NO. P 324 741 282

Urango Mining Company, Inc.  
c/o Banquest Resources, Ltd.  
650 - 409 Granville Street  
Vancouver, B.C.  
Canada V6C 1T2

104/017/002

RE: Cancellation of ML's 25282, 29592 Met. Minerals

Gentlemen:

It has come to my attention that your license to do business in the State of Utah was revoked November 25, 1981, for failure to pay taxes. This constitutes a violation of the rules and regulations of the Land Board, and a breach of the above numbered lease agreements.

Failure to obtain a valid Utah business license within thirty (30) days from date of this letter may result in the cancellation of these leases.

Further, the Utah Division of State Lands herewith requires that you perform complete reclamation of surface disturbances resulting from your mining activity on lands of the above numbered leases. Such reclamation must be performed immediately in the absence of continuation of mining. Acceptable reclamation shall consist of the following measures:

1. Sealing of all mine portals. Any remaining stockpiles of waste rock must first be backfilled into the drifts.
2. Removal of all trash and debris.
3. Plugging of any unplugged drill holes on the property.
4. Filling of all trenches, cuts, and pits.
5. Contouring of the mine pad area and scarification of any access roads you have built to the mine sites.
6. Reseeding of all areas of surface disturbances, (mixture of Indian ricegrass and crested wheatgrass at concentration of 10 lbs. per acre).



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Failure to perform reclamation as requested above may also result in cancellation of these leases, and in forfeiture of your \$5,000 bond (C.O. #5716, First National Bank of Durango).

Please be advised that cancellation of these leases will not excuse Urango Mining Company from paying the State of Utah any outstanding production royalty which may be due and owing.

Sincerely yours,

JOHN T. BLAKE  
MINERALS RESOURCE SPECIALIST

JTB/mh

cc: Anne Stirba  
Assistant Attorney General

✓ Tom Tetting  
Division of Oil, Gas & Mining

Urango Mining Company, Inc.  
c/o William Horther  
P. O. Box 449  
Durango, CO 81301